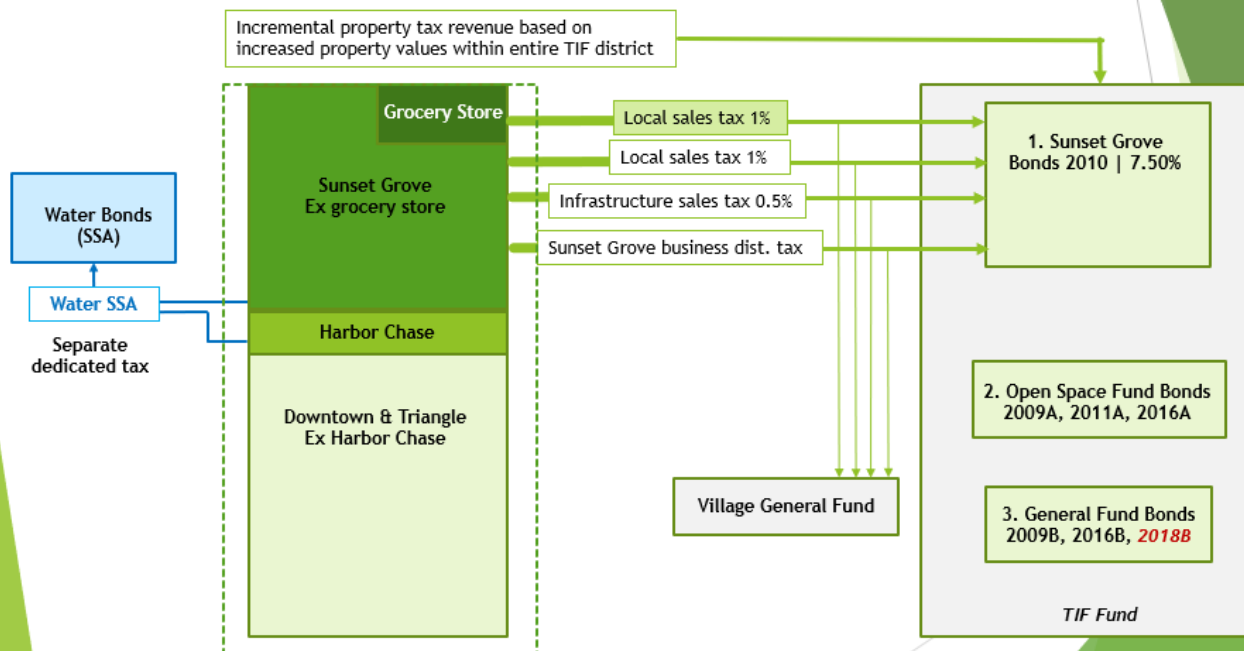


TIF District background

- ▶ TIF district was created in 2008 and thus has about 12 years left of its 23 year life
- ▶ In a “typical” TIF, bonds are sold to third parties, backed by the anticipated revenues from increased property taxes. TIF district pays P&I over TIF lifetime
- ▶ Long Grove TIF bonds are not sellable on the open market at this time
 - ▶ Sunset Grove bonds were sold to a third party. They pay 7.50% coupon and are ALSO backed by a portion of the sales taxes generated in the Sunset Grove district.
 - ▶ P&I has been timely paid on Sunset Grove bonds, and is expected to continue to do so.
 - ▶ Other LG TIF bonds were “sold” to two of the Village’s funds: its Open Space Fund (OSF) and the General Fund (GF) In a sense, these Village funds have invested in the TIF district. Like any investment, this may or may not result in a profit or even a break-even situation. Accounting-wise, they are treated as an advance (loan) to the TIF district.
 - ▶ The OSF bonds are subordinate to the Sunset Grove bonds, and the GF bonds are subordinate to the OSF bonds. Both carry interest of 4% and arrearage charges of additional 2% if payments are not made, which has been the case so far.

TIF District: Revenue sources & priority



Discussion

- ▶ TIF District project payments in May include RPC bridge abutment repair, Old McHenry Road watermain extension, and work on the downtown water deep well pump house
- ▶ Additional committed projects include
 - ▶ Old McHenry Road streetscape improvements
 - ▶ Extending downtown water to RPC road
 - ▶ RPC road/ streetscape work
- ▶ Fees from downtown water connection and usage are included in this year's revenue budget
- ▶ The TIF district may never "break even"
 - ▶ Various scenarios with and without incremental property taxes based on improvements to Harbor Chase, Archer Lots, downtown Triangle, Executive House on 83, and the "South 15", as well as with and without 3% annual increase in tax rates.
 - ▶ The capital projects are those that the Village believes should occur, whether or not part of the expense is recaptured via the TIF
- ▶ The Board is mindful about striking the right balance between investments in Downtown and the rest of the Village

TIF District: geography

